

# SULLIVAN & CROMWELL LLP

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March 8, 2005

Timothy L. Le Bas,  
California Department of Corporations,  
1515 K Street, Suite 200,  
Sacramento, CA 95814.

Re: California Corporate Disclosure Act (the "Act")

Dear Mr. Le Bas:

In response to your request for information in the letter dated February 18, 2005, the Corporations Committee of the State Bar of California (the "Committee") is providing the following information:

- With respect to the first three bullet points, the Committee does not have this information, which is hopefully available from the California Secretary of State.
- With respect to the fourth bullet point, the Act impacts corporations located in California, all other states of the United States and all other countries in the world that register to transact intrastate business in California.
- With respect to the fifth bullet point, the Committee believes that this amount could be estimated by multiplying the estimated amount per company by the number of companies filing with the California Secretary of State.
- With respect to the sixth bullet point, the Committee believes that the initial cost and annual ongoing cost are substantially the same (\$2,500 to \$15,000 per filing). It is possible that some companies incurred more costs with counsel in connection with the first filing under the Act. However, that amount should not be material since most of the cost per filing is incurred in connection with compiling the information from the appropriate people and sources, preparing

the forms and having the appropriate personnel and advisors review, which costs must be incurred each year.

- With respect to the seventh and final bullet point, the Committee believes that all of the costs discussed above are incremental to the costs incurred in complying with similar federal requirements. If a reference to the SEC filings were provided, there would be no incremental costs. If the information requirements were conformed, corporations may save costs in connection with compiling the information but would still incur incremental costs in preparing and reviewing the form.

Please do not hesitate to let us know if you have any further questions or if we can be of any further assistance in your evaluation of the Act.

Very truly yours,



Steven B. Stokdyk

cc: Corporations Committee of the State Bar of California